



Iowa Telecommunications & Technology Commission
Grimes State Office Building, 1st Floor
400 E. 14th Street, Des Moines, IA 50319

Final
July 19, 2018

To ensure the most efficient use of State resources, the July 19, 2018 ITTC meeting was held via video conference pursuant to Iowa Code section 21.8. A video conference also ensured that more Commissioners were able to participate in the meeting and reduced the risk of delays caused by weather or other impediments to travel. The meeting was accessible to members of the public through attendance at the Grimes State Office Building.

- **Roll Call:**

- **Commissioners Present:**

- Richard Bruner, Chair (on-site)
 - Kelly Dolan Lange, Member (Zoom Video)
 - Bob Holz, Member (on-site)
 - Timothy Lapointe, Member (on-site)
 - Mary Mosiman, Ex-Officio Member (on-site)
 - Robert von Wolfradt, Ex-Officio Member (Zoom Phone)

- **Commissioners Absent:**

- None.

- **Iowa Communications Network Staff Present:**

- Phil Groner, Acting Executive Director
 - Deb Evans, Agency Division Administrator, Chief Financial Officer (CFO)
 - Mark Johnson, Carrier Services Division Administrator, Chief Operating Officer (COO)
 - Randy Goddard, Business Services Bureau Manager
 - Mike Cruise, Finance Bureau Manager
 - Scott Pappan, Engineering/Operations Bureau Manager
 - Ryan Mulhall, Network Services Manager
 - Dave Marley, Field Services Officer
 - Lori Larsen, Executive Officer 2
 - Jontell Harris, Executive Officer 2 (Recorder)

- **Guest Attendees:**

- Alan Nagel, Attorney General's Office (Zoom Phone)
 - Adam Broich, Legislative Services Agency (LSA)
 - Christin Mechler, Legislative Services Agency (LSA)
 - Ray Warner, Aureon
 - Sean Corey, CenturyLink

- **Call to Order:**

- Chair Bruner called the meeting to order at 10:31 AM. It was noted that a quorum of members were present for the meeting.

Philip Groner, Acting Executive Director

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- **Approval of the June 21, 2018 Meeting Minutes:**

- Chair Bruner requested a motion to approve the June 21, 2018 meeting minutes. Commissioner Lapointe moved to approve the minutes. Commissioner Holz seconded the motion. The motion passed unanimously.

Commissioner Holz – Yes
Commissioner Lange – Yes
Commissioner Lapointe – Yes
Commissioner Bruner – Yes

- **New Business:**

- **Agency Updates**

- **Agency Division Update – Deb Evans**

- Fiscal Year (FY) 2019 Budget:
 - Finance is entering the FY19 budget into the financial system to be incorporated with the data for FY19 reporting.
 - Product Development:
 - The Product Development Team has five services that are being prepared as set products for the ICN.
 - Pinnacle Billing System:
 - User Acceptance Training for the new billing system, Pinnacle, has been scheduled to take place at the end of July.
 - ICN Warehouse Inventory:
 - Warehouse inventory has been completed by the auditors and ICN. Inventory must be completed by the end of June for the FY. Inventory counts continue to improve due to the disposal of old equipment. Period 13, the 13th month used to complete billing for items payable to the ICN and vendor billing received from work completed in June, is anticipated to close by July 20.
 - ICN Financial Audit Exit and Start Conference:
 - The ICN Financial Audit Exit and Start Conference has been completed. The meeting covers the exit findings that were reported for FY17 and the initiating of the Financial Audit for FY18. The ICN Investigative Audit is included in the FY17 Financial Audit.
 - ICN Managed Wireless Services:
 - ICN Contracting is currently working with Ryan Mulhall to develop a Request for Proposal (RFP) for the Managed Wireless Services product. ICN currently has wireless customers but needs to set the service as a standard product moving forward.
 - 911 Security Services:
 - Security Services for 911 were presented with a favorable response from Homeland Security and Emergency Management (HSEMD).
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- Ryan Mulhall and Randy Goddard will continue to work with HSEMD on their security needs.
- Managed Voice Services (MVS) Encryption:
 - After starting the installation of the managed voice products, the ICN was contacted by the Office of the Chief Information Officer (OCIO) with questions on securing the telephone system. The OCIO provided a list of questions to which the ICN and CenturyLink's security group provided responses. The OCIO then promoted the idea that ICN should look at encrypting phones for improved security. ICN worked with CenturyLink to deploy encryption across the platform. Testing was completed by CenturyLink then released to ICN's lab to be tested. The encryption service was approved and passed by both organizations. The implementation process has begun. Encryption for MVS has been implemented on five types of devices and users within ICN for testing as implementation plans begin. Meetings have begun with ICN customers to move forward with the implementation of encryption for users.
- Universal Service Administration Company (USAC)
 - ICN continues to evaluate USAC responses. All bids are visible as well as the winning vendor, pricing and term. This information will assist in determining market value for services and what areas need to be evaluated.

COMMENTS:

Chair Bruner: Is the encryption on every phone?

Deb Evans: It can be a pick and choose process. We can install it across the entire platform, and the OCIO has requested that it be done on the Executive Branch phones. It makes it a little more difficult if there is a phone problem. That will be addressed case by case.

Chair Bruner: Encrypting communications across the state is a new development. Sounds like the Executive Branch will be encrypted. Is that the OCIO's recommendation?

Deb Evans: Yes.

Chair Bruner: Can you provide a brief statement on what we are thinking for wireless products?

Ryan Mulhall: Originally we implemented the Wi-Fi Internet for School Emergencies (WISE) pilot program with the Department of Public Safety (DPS) and tested some wireless manufacturer equipment last year. With that we tried to set as a product so that it is an E-Rate category 2 eligible service as long as it is set-up correctly. We were not able to do so with the current contracts and vendor that we have. So we will go out for an RFP for a partner hopefully sometime in the next couple weeks where we will provide managed wireless services. It will look a lot like our managed firewall services to make sure that it is E-Rate eligible. For the Core we are looking at a limited amount of skews so it will be based around the amount of access points that are needed at schools or agencies for the customers then the controller, which is what manages the wireless network and can either be done by the individual agencies, schools or done by whoever ends up being our managed partner.

Chair Bruner: So basically it's managed Wi-Fi and we're looking for a vendor that we can work with that will qualify for E-Rate?

Ryan Mulhall: Yes. We were running into issues before because it would make us look like a reseller if we were trying to use a platform that we have. The manufacturers weren't keen on that so if we implement this as a subscription model service then we will have a partner and have it be E-Rate Category 2 eligible.

Scott Pappan: Are we going to bundle that with the internet and have a bundled internet per access point as well so we're promoting both the operations as well as the product?

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Ryan Mulhall: Yes that is correct. There will be additional installation aspects. There will probably be inside wiring that the Technical Assistance Center (TAC) group will provide or our partner, plus the circuits that we will be bundling with the service.

Chair Bruner: Sounds like a package that might be very sellable.

■ Financial Report – Mike Cruise

- June Fiscal Year (FY) 18 Budget-to-Actual Report
 - Month of June resulted in a negative operating margin of -\$195,295, or -7.52%. This is favorable to the budget of -\$303,811.
 - Revenue is below budget by \$125,000.
 - Direct expenses are above budget by \$104,000.
 - General and Administrative expenses are \$129,000 below budget.
 - Payroll is \$42,000 below budget.
- Year-to-Date through June 2018-
 - Year-to-Date operating margin through June is -\$1,920,858, or -6.19%. This is favorable to the budget of -\$3,645,622 for the year.
- June 2018 Comparison to FY17
 - Operating margin is \$32,000 favorable to June. A large factor was the payroll difference between the two months was \$141,000.
- Year-to-Date Comparison to FY17
 - The FY 18 operating margin \$321,000 unfavorable to FY17.
 - Revenues are down \$2.2 million.
 - Direct expenses are favorable by \$500,000
 - Indirect expenses are favorable by \$1.2 million
- Period 13 billing will add to the financials. ICN will have more payables and expenses to add through the end of August. The final report for June will not be available until mid-September.

COMMENTS:

Phil Groner: Just a reminder to the Commission, one of the things that we did do this year primarily due to the unforeseen down turn in revenues is control our expenses as much as possible. We did significantly slow down some projects. An example would be we had planned to have a more aggressive ServiceNow deployment and development this year than we actually did. We slowed that down to work on expenses and spread that out over multiple years. Some of the programs that we had planned for last year, we are no longer implementing. We stopped production on those projects to control those expenses. Deb Evans and the Finance Bureau have been doing internal audits on every expense that the agency has, no matter how small, to see where the ICN might be paying too much or looking at the service we are receiving and do we still have a need for it. This upcoming FY, while trying to control expenses, a lot of the focus will be put on Randy Goddard and the Business Services Bureau as we look to work with our customers to find new sources of revenue. We'll look at new products and services such as managed wireless services and managed security products. We have a significant project with HSEMD merging the 911 wireless and wirelined networks. When that project is complete that will be a significant amount of new services we had not sold before. That will be the focus this year.

Randy Goddard: Last year when we did our forecasting, the E-Rate cycle was an unusual cycle that extended into May. Budgets were due prior to that cycle ending. The ICN decreased internet rates for government by 10%, we also discontinued the revenue neutral model with the Area Education Agencies (AEAs) which required them to

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continue to spend the same amount causing them, over the years, to increase the bandwidth that they were not using. With this understanding and budgets decreased for education so we made a correction. We lowered internet rates and we also released the AEAs from the revenue neutral model which decreased their rates. Therefore, \$1.5 million of that decrease is directly attributable to the AEAs. The education community definitely appreciated that opportunity to set their budgets for the next year but we did not have that information until the budgets were set.

Chair Bruner: So we lost \$1.5 million and they gained \$1.5 million?

Randy Goddard: They did.

Chair Bruner: So it was a good deal for education.

Randy Goddard: Yes, this year it went back to more typical timeframe so we received the awards so we knew what awards we were getting for the K-12s as well as the AEA's. We were able to reflect that in this forecast for this year.

Chair Bruner: Thank you Randy. I know that the Executive Team and everyone has been working really hard at increasing our revenues as well as managing expenses. I appreciate all of the work that has gone into this. This will be an issue for the next year I'm sure.

○ **ICN Carrier Updates**

■ **Carrier Division Update and ICN Major Initiatives Update – Mark Johnson**

- SP 43 - Tiffin Project:
 - The new SP43 structure is in place and permanent power has been established at the new location. The focus will now be on establishing the final details of when the existing equipment will be relocated to the new facility. That will include setting up temporary circuits to keep 24/7 facilities including PSAPs and healthcare facilities operational during the move because the network will need to be shut down for a period of time.
- HSEMD's 911 Consolidation Project:
 - In support of Homeland Security's 911 consolidation and consistent with the ICN's involvement with the project, the ICN will be providing colocation space in the Joint Forces Headquarters (JFHQ) for HSEMD's other 911 vendor, Zetron.
- Core Upgrade:
 - The Core upgrade continues to move forward. The schedule is being finalized as the project is being managed in a manner that will allow the most efficient accommodation of efforts with the Iowa Rural Health Telecommunications Program (IRHTP) and 911 projects.
- Service Now:
 - The engagement with Aeritae has been completed and the ICN has begun working with the new vendor, IntegRhythm. The initial kick-off meeting has taken place and work began almost immediately as the vendor assisted with a version upgrade on Thursday, July 19. Jeff Barske, Vicki Wallis and Ed Parker were commended for their efforts of being instrumental with the upgrade. Initially, IntegRhythm will be working with the ICN to restructure the customer portal and implement a number of enhancements that have been requested by customers as well as ICN employees.

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The goal is to make it as easy as possible for customers to request services and track orders in the system.

- ICN Security Services:
 - The ICN has expanded security monitoring capabilities to include customer traffic moving through the flow monitoring service for the ICN Distributed Denial of Service (DDoS) service. ICN has begun to notify customers of suspicious traffic and the security platform provides alerts based upon the most current threat intelligence information provided by the Federal Department of Homeland Security and other commercial sources. This is strictly a value-add service that the ICN does not currently intend to productize. However, the ICN does have a partner that can provide a more in-depth service, should customers be interested.
- Outside Plant:
 - An increased number of network disruptions or fiber cuts have been experienced within the last few months. There have been five vendor cuts and two washouts due to heavy rains that have occurred. The Outside Plant (OSP) team, Fiber Network Services (FNS) team at the Network Operations Center (NOC), as well as the technicians in the field, have been very busy. The teams have done a great job of limiting the amount of downtime experienced by customers due to these events.

COMMENTS:

Chair Bruner: With all of the water, I'm surprised that the issues haven't been worse.

Mark Johnson: I think, as Dave Marley has indicated, we are likely to discover a few more issues as the water recedes. A lot of the time you don't find exposed fiber until later.

Commissioner Lapointe: Who is the partner that you said you have available should any customers be interested in using the security service?

Ryan Mulhall: Pratum.

Commissioner Lange: How long will the SP43 move to Tiffin take?

Mark Johnson: It is planned to be 4-6 hours.

Scott Pappan: It is scheduled for August 26, 2018 but we still have 120,000 feet of fiber to pull. The following weekend is a holiday so we will probably do it mid-September. It should be a 4-6 hour cut happening on a Sunday morning. Right now we have over 400 strands of fiber to cut. We will have four teams cutting the fiber. We do know and recognize that there are major 911 facilities and regional hospitals that will be affected so we are in the process of giving them temporary services to keep services running while the cut is taking place.

Mark Johnson: There will also be customer notifications that will be sent out so that everyone is aware of our plan and the timing of it as we move forward.

Scott Pappan: There is a list that has been created by FNS and Dave Marley of approximately 325 customers. We will take the largest customers and notify them. The clinics that will already be closed won't be affected but there are urgent care clinics that are open 24 hours that will need to be notified.

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- **Other Business:**

- **ACTION – Final Approval of Administrative Rule Amendments – Mark Johnson**

Two Administrative Rules were approved by the Commission in a previous meeting but final approval was required. The rules were published as “Notices of Intended Action” in the Administrative Rules bulletin. Mark Johnson presented in front of the Administrative Rules Review Committee (ARRC) and responded to questions in relation to the rules. A public hearing was held on the rules and no public comments were received.

ARC 3723c – Strikes law enforcement communications systems from the exceptions to the definition of state communications. Previously, the systems were specifically included as systems that the ICN could not provide services for. Since working with DPS, the statutory change was put into place and the possibility of providing certain services to the organization was raised. It was felt that this change was necessary to ensure that no issues were encountered.

ARC 3781c – Relates to sole-source procurement changes in direct response to the ICN investigative audit recommendations. The ICN determined changes that could be made internally and has eliminated a very general approval clause for sole-source procurement that allows contracts to be entered into if they are determined to be in the best interest of the network. The general justification language is being stricken. Dual signatures from the ICN Executive Director and Chief Financial Officer are now required for sole-source justification documentation prior to the agreement being finalized.

Once the rules have been approved for a second time, the rules will be published again in the Administrative Rules bulletin as final action and will become effective mid-September.

COMMENTS:

Commissioner Lapointe: I’m just curious about why Law Enforcement communications were excluded to begin with. It seems like a natural fit for the network and our services.

Mark Johnson: It escapes me as to why the language was drafted as it was. It would have been a part of the negotiations. In the code chapter, there is also language that limits the opportunity for public safety agencies to utilize the network for training purposes in emergency situations so there was concern that the scope of activity on the network might go beyond what people really intended at the time. It was an attempt to make sure it was clearly defined what state communications are, the appropriate purpose and to provide very clear cut exceptions.

Commissioner Holz moved to adopt Administrative Rule changes ARC 3723c and ARC 3781c. Commissioner Lange seconded the motion. The motion passed unanimously.

Commissioner Holz – Yes
Commissioner Lange – Yes
Commissioner Lapointe – Yes
Commissioner Bruner – Yes

- **Executive Director Search – Chair Bruner**

The ICN Executive Director position was posted to the Department of Administrative Services-Human Resource Enterprise (DAS-HRE) - Government Jobs website on July 1, 2018. Chair Bruner and Commissioner Lapointe are on the ITTC Personnel Committee to implement the initial screening of the applicants. Mark Johnson and Jontell Harris have provided support to ensure fairness and consistency in

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how the process is approached. By the August 2018 ITTC meeting there should be a good idea of how many candidates will need to be personally interviewed by the Commission.

Mark Johnson: The process is becoming a little more solidified at this point. The application closing period is July 30. It will take several days for DAS-HRE to determine the number of candidates who meet the minimum qualifications and for that information to be forwarded to the ITTC Personnel Committee for review and scoring. There is a period after the closing date that any candidate that is determined by DAS-HRE to not meet the minimum qualifications to be notified. If those candidates believe that they have been excluded in error, they will have the opportunity to add additional information and provide the information in a four day appeal process. At that point, a list of candidates, applications and resumes will be provided to the ITTC Personnel Committee for their review. The Committee is close to having a resume scoring document finalized. The scoring will determine the number of candidates to be interviewed.

COMMENTS:

Assistant Attorney General (AAG) Alan Nagel: Will the screening be strictly quantitative or will there be a qualitative aspect?

Mark Johnson: I think at this point with the resume scoring, to get to the number of candidates or interviewees, it is basically a review of resumes with a quantitative scoring document that has a number of attributes that will be scored by the Commissioners. They will review the applications and resumes to come up with the range of scores of the applicants.

AAG Alan Nagel: Thank you, I just wanted to make sure that I understood.

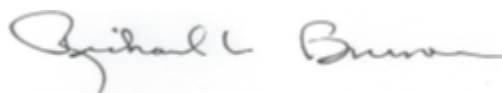
- **Public Comment:**

None.

- **Adjournment:**

Commissioner Lange moved that the meeting be adjourned. The ITTC meeting adjourned at 11:05 a.m.

ATTESTED TO:



Richard Bruner - Chair, Iowa Telecommunications and Technology Commission

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